Government of Saskatchewan

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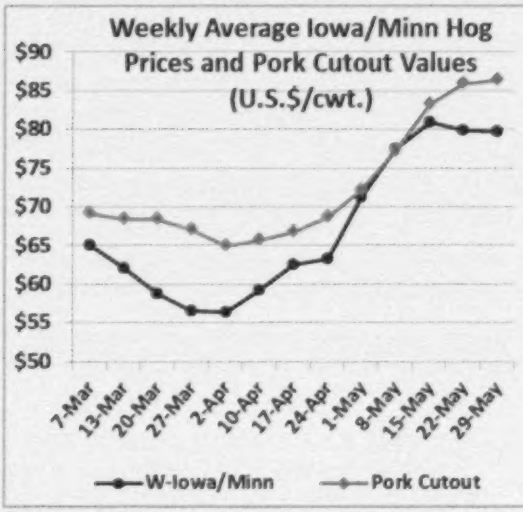
Weekly Hog Report

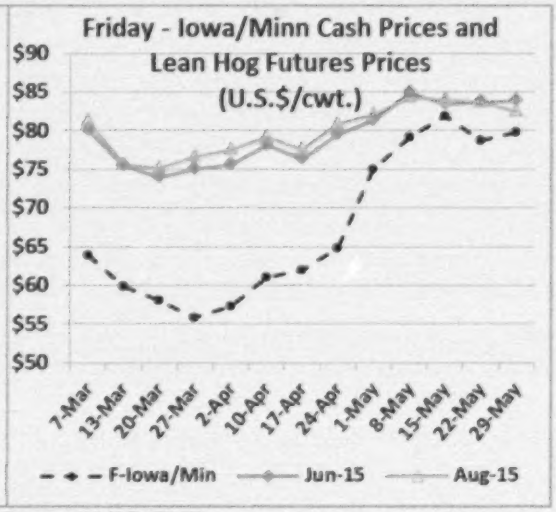
June 1, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were relatively steady last week and ended the week higher; week-over-week. Hog prices on Friday averaged US$79.76 per cwt, up US$1.04 per cwt or 1.3 per cent from US$78.72 per cwt the previous Friday. The negotiated base price for the week averaged US$79.66 per cwt, down US$0.34 per cwt or 0.3 per cent from US$79.93 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

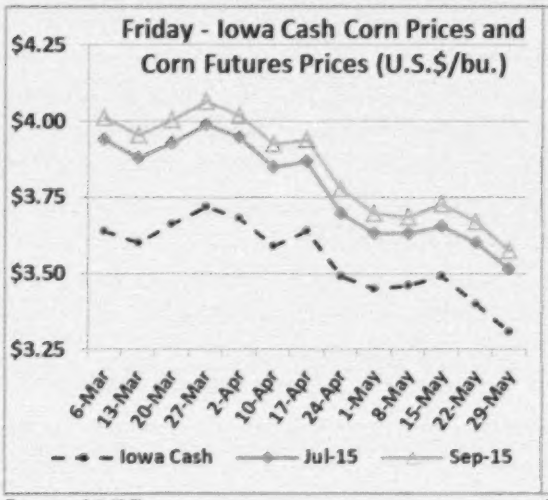
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 29, 2015 was $177.04 per ckg, up $9.10 per ckg or 5.1 per cent from $177.04 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $180.80 per ckg, up $1.64 per ckg or 0.9 per cent from the previous weeks' average price of $179.16 per ckg. The Canadian dollar moved lower last week on weak Canadian economic data to close Friday at 80.41 cents; down 0.88 cents from the previous Friday's close of 81.29 cents.

Futures Markets

Lean hog futures daily prices were mixed last week and ended the week mixed, week-over-week. The nearby June 2015 contract increased US$0.100 per cwt to settle Friday at US$83.825 per cwt, while the August contract declined US$1.225 per cwt to settle Friday at US$82.500 per cwt. The last few weeks the cash and futures markets have narrowed as markets closely watch U.S. hog slaughter numbers and pork supplies.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$38.55 per head, up US$0.58 per head from US$37.97 per head the previous week. Feeders (40lb) were US$64.93 per head, down $2.73 per head from US$67.66 per head the previous week.



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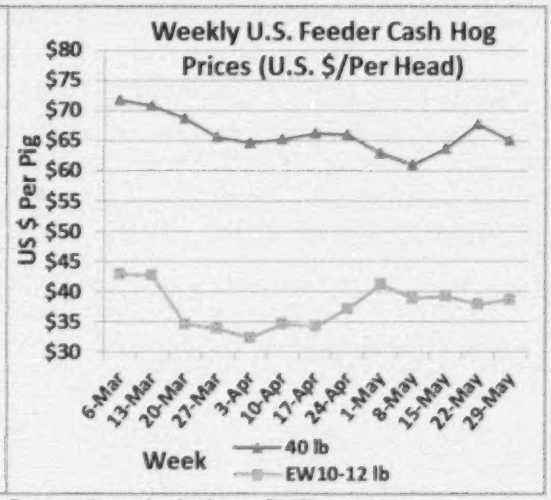

Source: Iowa Agriculture, CME

Iowa cash corn prices moved lower last week declining nine cents per bushel to end Friday at US$3.31 per bushel. U.S. daily corn futures prices were mostly lower over the week and ended lower, week-over-week. The July corn futures contract declined 8½ cents to settle Friday at US$3.51½ per bushel, while the September corn futures contract declined 9½ cents per bushel to settle Friday at US$3.55¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the shorter U.S. holiday week ending May 30 were estimated at 1.856 million head, down 13.4 per cent from 2.142 million head the previous week, but up 6.4 per cent from 1.744 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.059 million head per week, up 6.8 per cent from 1.928 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Victoria Day holiday week ending May 23, 2015; were estimated at 347,819 head, down 13.7 per cent from 402,992 head the previous week, but up 3.4 per cent from 336,360 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending May 23, 2015, were estimated to average 389,482 head, up 3.2 per cent from 377,512 head over the same period a year ago.

In Western Canada, hogs slaughtered over the last four weeks ending May 23, 2015 averaged 148,191 head, up 2.4 per cent from 144,744 head over the same four weeks a year ago. Western Canadian hogs slaughtered year-to-date totaled 3.481 million head, up about 3.2 per cent from 3.375 million head the same period a year ago.

Meat Production

U.S. pork production for the shorter U.S. holiday week ending May 30, 2015 was estimated at 395.4 million lb., down 13.4 per cent from 456.6 million lb. the previous week, but up 5.0 per cent from 376.5 million lb. the same week a year ago. Pork production over the last four weeks ending May 30 was estimated to average 438.6 million lb., up 5.4 per cent from 415.9 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 30, totaled 426.6 million lb., down 7.1 per cent from 459.3 million lb. the previous week, but up slightly from 426.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 23, 2015, was estimated to average 2.011 billion lb., up 3.9 per cent from 1.936 billion lb. over the same four weeks a year ago. Total U.S. meat production year-to-date for 2015 is estimated to be up 4.0 per cent compared to the same period in 2014.

United States Weekly Meat Production

(May 23) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	431.0	454.4	5.4%	6.6%
Beef	474.2	459.9	-3.0%	-4.0%
Chicken	900.4	971.8	7.9%	7.0%
Turkey	130.0	125.3	-3.6%	2.9%
Total	**1,935.6**	**2,011.3**	**3.91%**	**4.01%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending May 30, 2015 averaged US$86.34 per cwt, up US$0.40 per cwt or 0.5 per cent from US$85.94 per cwt the previous week, but down 24.6 per cent from US$114.48 per cwt from a year ago. Pork cutout values were steady over the week with small gains.

Average beef cutout values (Choice 600-900 lb.) for the week ending May 30 averaged US$259.10 per cwt, down US$4.09 per cwt from US$263.19 per cwt from the previous week, but up 11.0 per cent from US$233.43 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending May 30 averaged US$158.90 per cwt, down US$4.34 per cwt from US$163.24 per cwt from the previous week, and down 18.6 per cent from US$195.18 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers for April 30, 2015; back on May 22. The United States' pork stocks in cold storage totaled 699.6 million lb. on April 30, 2015, up 4.0 per cent from 672.4 million lb. on March 31, 2015, and up 19.8 per cent from 583.9 million lb. on April 30, 2014.

The United States' beef stocks in cold storage totaled 476.7 million lb. on April 30, 2015, down 1.0 per cent from 481.5 million lb. on March 31, 2015, but up 18.5 per cent from 402.3 million lb. on April 30, 2014.

U.S. combined pork, beef, chicken and turkey stocks in cold storage totaled 2.336 billion lb. on April 30, 2015, up 3.8 per cent from 2.251 billion lb. on March 31, 2015, and up 20.1 per cent from 1.945 billion lb. on April 30, 2014.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**April 30, 2014**	**March 31, 2015**	**April 30, 2015**
Pork	583,891	672,431	699,606
Beef	402,281	481,473	476,702
Chicken	584,093	751,849	765,517
Turkey	375,013	345,578	394,382
Total Combined	**1,945,278**	**2,251,331**	**2,336,207**

Source: NASS

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